

Self-Insurance Estimating Conference
State Employees' Health Insurance Trust Fund
Last conference held: March 2, 2007

Executive Summary

The outlook for the State Employees' Health Insurance Trust Fund has improved somewhat from the October forecast. The projected 2006-07 ending balance of the fund gained from \$193.0 million to \$200.1 million, and the 2007-08 ending balance increased from \$153.9 million to \$173.3 million. The conference also adopted its first outlook for 2008-09, which shows an ending balance in the trust fund of \$2.2 million.

The overall enrollment projections were increased due to the results of open enrollment. Additionally, the shift from PPO enrollment to HMO enrollment continues, with PPO enrollment projected to be lower than in the old forecast, and HMO enrollment higher.

Changes in the projections for revenues resulted mainly from increases in premiums, which are expected to be somewhat higher, due to projected enrollment and category fluctuations. Overall changes in other categories of revenues are minimal.

There are significant adjustments to the expense forecasts. The decrease in medical claims is due partially to the reduced forecast for enrollment in the PPO plan, and partially due to the reduction in the growth rate assumption from 10.0% to 9.0%. For the prescription drug program, the decrease due to lower projected enrollment is offset by lower projections of generic utilization, due to a delay in the end of patent protection for some high-cost, highly utilized, medications. Projected HMO premium increases were reduced from 11.5% to 10.5%, but overall HMO premiums are higher due to higher enrollment. Other adjustments to expenses are minor.

State Employees' Group Health Self-Insurance Trust Fund

Report on the Financial Outlook

For the Fiscal Years Ending June 30, 2007 through June 30, 2009

Presented March 2, 2007

Prepared by: Florida Department of Management Services
Division of State Group Insurance

EXECUTIVE SUMMARY

The Florida Division of State Group Insurance has prepared a financial outlook for the State Employees' Group Health Self-Insurance Trust Fund for the Fiscal Years Ending June 30, 2007 through June 30, 2009 to aid in state planning and budgeting in accordance with sec. 216.136(11), *Florida Statutes*. The outlook has been prepared using cash basis methods and modeling, and is based on the healthcare benefit and funding designs currently in place with rate increases effective April 1, 2007. Actual enrollment and cash flow experience through January 31, 2007 have been taken into consideration.

The cash position forecast has improved moderately when compared to the cash position presented in October 2006 for the forecast period ending June 30, 2008. The projected ending cash balance for Fiscal Year 2006-07 increased from \$193.0 million to \$200.1 million, up \$7.1 million, or 3.7 percent. An operating gain of \$24.3 million is estimated, an improvement of \$7.1 million. The projected ending cash balance for Fiscal Year 2007-08 increased from \$153.9 million to \$173.3 million, up \$19.4 million, or 12.6 percent. An operating loss of \$26.8 million is estimated, down \$12.3 million from \$39.1 million.

Following is a summary of the outlook through Fiscal Year 2008-09.

Financial Outlook

	FY 2006-07 Estimate	FY 2007-08 Estimate	FY 2008-09 Estimate
BEGINNING CASH BALANCE	175.8	200.1	173.3
REVENUES	1,412.4	1,503.6	1,510.3
EXPENSES	(1,388.1)	(1,530.4)	(1,681.4)
OPERATING GAIN/ (LOSS)	<u>24.3</u>	<u>(26.8)</u>	<u>(171.1)</u>
ENDING CASH BALANCE	<u>200.1</u>	<u>173.3</u>	<u>2.2</u>

Dollars in Millions

A nominal increase in projected premium and non-premium revenue coupled with a slight reduction in the growth of program expenses is contributing to a healthier cash position through Fiscal Year 2007-08 as compared to the forecast presented in October 2006. The increase in premium revenue is attributed to higher than expected enrollment resulting from the 2006 Open Enrollment. The net reduction in the expense forecast is due to enrollment change and the continued slowing in projected healthcare cost growth. Spend growth for the self-insured PPO health plans and for the state-contracted HMO plans is slowing in close relationship with independently reported industry experience and trends.

Recurring growth in benefit expenses (9.3 percent through the forecast period) with relatively stable revenues upon maturity of the rate increase effective April 2007 will cause significant deterioration of cash position in Fiscal Year 2008-09. Attention to the favorable improvement in cash position will be required no later than Fiscal Year 2008-09 in order to sustain sufficient cash balances for operations.

Market pressures, cost-saving initiatives, provider contract renegotiations, administrative and clinical outcome performance incentives, and care management programs are among the factors favorably contributing to the slowdown in medical cost and utilization growth. Competing forces such as enrollment demographics, member health risks and conditions, types and frequency of services rendered, price inflation and technological advancements continue to prevent sharp bending in trend.

Similar dynamics exist in the pharmaceutical environment mixed with separate opportunities and challenges. For instance, a handful of heavily utilized brand name drugs will face generic competition for the first time during the forecast period. These occurrences increase the opportunity for generic dispensing. In contrast, new biotech/specialty pharmaceuticals, which are typically higher cost therapies, continue to enter the market at a rapid pace. Specialty pharmaceuticals offer advances in the treatment

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

of complex conditions that are otherwise poorly controlled. Utilization and spend for these therapies are growing rapidly and will continue to be a cost component requiring close attention.

For Plan Year 2007, fifty-six Florida counties have at least one state-contracted HMO plan offering. In addition, there is a state-contracted HMO offering of the High Deductible Health Plan in those fifty-six counties. The self-insured PPO standard and high deductible health plans remain available statewide.

Enrollment patterns have historically suggested a rather stabilized employee subscriber base. However, the 2006 Open Enrollment results indicate a slight increase in the employee subscriber population beyond previous projections. (The affected revenue and expense components of the outlook have been adjusted accordingly.) Increased growth continues to occur in the post-employment subscriber population (3.0 percent during the forecast period). As a result, an increase of 2.8 percent is projected to occur in total subscriber enrollment. Total average enrollment (including subscriber enrollment in a High Deductible Health Plan) is projected to be approximately 175,000 by Fiscal Year 2008-09.

Growth in annual subscriber enrollment has continued to be below one-percent since Fiscal Year 2000-01, but is projected to be slightly above one-percent for Fiscal Years 2007-08 and 2008-09, subsequently returning to previously patterned growth. Higher than expected employee enrollment resulting from the 2006 Open Enrollment and a sustaining increase in the post-employment subscriber base are contributing to the enrollment projection. Enrollment patterns also suggest that plan distribution (by subscriber) will approximate 59 percent enrollment in a self-insured PPO health plan and 41 percent in a state-contracted HMO plan during Fiscal Year 2007-08.

Subscriber migration and new hire election patterns indicate continuing change in the enrollment distribution between the self-insured PPO health plans and the state-contracted HMO plans. Enrollment patterns also suggest a larger employee subscriber base in a state-contracted HMO plan than in a self-insured PPO health plan by the end of the forecast period. In contrast, the self-insured PPO health plans continue to enroll a disproportionate number of post-employment subscribers as compared to the state-contracted HMO plans. Enrollment distribution and subscriber demographics should be closely monitored for cost inefficiencies and risk selection due to inherent differences in health plan cost characteristics and demographic risks.

Of the currently enrolled population, approximately 1,120 subscribers (1,040 employees) are enrolled in a High Deductible Health Plan (.6 percent of covered population). Approximately 700 subscribers, or 67 percent, are participating in the integrated state-sponsored Health Savings Account offering.

The exhibits that follow provide more in-depth information about projected enrollment, expected health care cost growth, cash positions and comparisons to the previous outlook.

Forecast Managed By:

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STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

**Exhibit I
Financial Outlook
By Fiscal Year
(In Millions)**

	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate ⁽¹⁾</u>
BEGINNING CASH BALANCE	\$ 118.9	\$ 175.8	\$ 200.1	\$ 173.3
REVENUES:				
Insurance Premiums:				
Employer	\$ 970.9	\$ 1,032.8	\$ 1,107.9	\$ 1,107.3
Employee	152.3	154.2	154.8	154.6
HSA Contributions ⁽²⁾	0.4	0.8	0.8	0.8
COBRA	8.0	7.3	7.4	7.4
Early Retiree	48.8	51.5	55.4	56.7
Medicare	87.3	95.2	104.5	108.3
TRICARE Surplus	5.9	5.6	6.0	6.0
Investment Interest	4.3	7.0	7.0	2.0
TPA Refunds	12.6	11.6	12.6	12.6
PBM Rebates	10.3	11.0	12.5	17.9
Pretax Trust Fund Transfer	20.4	19.0	19.0	19.0
Medicare Part D Subsidy	<u>3.2</u>	<u>16.4</u>	<u>15.7</u>	<u>17.7</u>
TOTAL REVENUES	\$ 1,324.4	\$ 1,412.4	\$ 1,503.6	\$ 1,510.3
TOTAL CASH AVAILABLE	\$ <u>1,443.3</u>	\$ <u>1,588.2</u>	\$ <u>1,703.7</u>	\$ <u>1,683.6</u>
EXPENSES:				
State PPO Plan:				
Medical Claims	\$ 503.8	\$ 527.9	\$ 571.0	\$ 615.2
Prescription Drug Claims	204.5	217.8	233.5	242.7
ASO Fee	36.3	27.6	20.1	22.3
HMO Premium Payments	515.0	606.4	697.4	792.8
HSA Deposits ⁽²⁾	0.4	0.8	0.8	0.8
Operating Costs & Admin Assessment	4.1	4.0	4.0	4.0
Premium Refunds	3.3	3.5	3.5	3.5
Other Expenses	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
TOTAL EXPENSES	\$ <u>1,267.5</u>	\$ <u>1,388.1</u>	\$ <u>1,530.4</u>	\$ <u>1,681.4</u>
EXCESS OF REVENUES OVER EXPENSES	\$ <u>56.9</u>	\$ <u>24.3</u>	\$ <u>(26.8)</u>	\$ <u>(171.1)</u>
ENDING CASH BALANCE	\$ <u>175.8</u>	\$ <u>200.1</u>	\$ <u>173.3</u>	\$ <u>2.2</u>
Average Enrollment by Plan				
PPO Standard	106,102	103,028	101,822	100,639
PPO HIHP	612	712	727	727
HMO Standard	62,928	67,802	70,787	73,003
HMO HIHP	<u>264</u>	<u>332</u>	<u>344</u>	<u>344</u>
Total	<u>169,906</u>	<u>171,874</u>	<u>173,680</u>	<u>174,713</u>
Average Enrollment by Coverage Type				
Active Standard	134,970	136,076	136,868	136,765
Active HIHP	802	976	1,013	1,013
Cobra	1,251	1,106	1,052	1,052
Early Retiree	8,490	8,514	8,664	8,871
Medicare	<u>24,393</u>	<u>25,202</u>	<u>26,083</u>	<u>27,012</u>
Total	<u>169,906</u>	<u>171,874</u>	<u>173,680</u>	<u>174,713</u>
TRICARE Enrollment				
Active	697	888	965	965
Retiree	<u>11</u>	<u>27</u>	<u>29</u>	<u>29</u>
Total	<u>708</u>	<u>915</u>	<u>994</u>	<u>994</u>

⁽¹⁾ Actual results may differ from projected values with increasing likelihood of variance in future periods.

⁽²⁾ Contributions approximate an equal split between employer and employee.

Exhibit II
Financial Outlook
Fiscal Year 2006-07
(In Millions)

	(A)	(B)	(B) - (A)
	October '06	March '07	Difference
BEGINNING CASH BALANCE	\$ 175.8	\$ 175.8	\$ 0.0
REVENUES:			
Insurance Premiums:			
Employer	\$ 1,026.2	\$ 1,032.8	\$ 6.6
Employee	153.6	154.2	0.6
HSA Contributions ⁽¹⁾	0.6	0.8	0.2
COBRA	8.1	7.3	(0.8)
Early Retiree	52.6	51.5	(1.1)
Medicare	95.8	95.2	(0.6)
TRICARE Surplus	5.1	5.6	0.5
Investment Interest	6.5	7.0	0.5
TPA Refunds	12.6	11.6	(1.0)
PBM Rebates	12.5	11.0	(1.5)
Pretax Trust Fund Transfer	18.4	19.0	0.6
Medicare Part D Subsidy	15.4	16.4	1.0
TOTAL REVENUES	\$ 1,407.4	\$ 1,412.4	\$ 5.0
TOTAL CASH AVAILABLE	\$ 1,583.2	\$ 1,588.2	\$ 5.0
EXPENSES:			
State PPO Plan:			
Medical Claims	\$ 540.4	\$ 527.9	\$ (12.5)
Prescription Drug Claims	215.2	217.8	2.6
ASO Fee	27.7	27.6	(0.1)
HMO Premium Payments	599.6	606.4	6.8
HSA Deposits ⁽¹⁾	0.6	0.8	0.2
Operating Costs & Admin Assessment	3.6	4.0	0.4
Premium Refunds	3.0	3.5	0.5
Other Expenses	0.1	0.1	0.0
TOTAL EXPENSES	\$ 1,390.2	\$ 1,388.1	\$ (2.1)
EXCESS OF REVENUES OVER EXPENSES	\$ 17.2	\$ 24.3	\$ 7.1
ENDING CASH BALANCE	\$ 193.0	\$ 200.1	\$ 7.1
Average Enrollment by Plan			
PPO Standard	103,402	103,028	(374)
PPO HIHP	657	712	55
HMO Standard	66,907	67,802	895
HMO HIHP	297	332	35
Total	171,263	171,874	611
Average Enrollment by Coverage Type			
Active Standard	135,162	136,076	914
Active HIHP	881	976	95
Cobra	1,220	1,106	(114)
Early Retiree	8,685	8,514	(171)
Medicare	25,315	25,202	(113)
Total	171,263	171,874	611
TRICARE Enrollment			
Active	805	888	83
Retiree	25	27	2
Total	830	915	85

⁽¹⁾ Contributions approximate an equal split between employer and employee.

Exhibit III
Comparison of Financial Outlooks
Fiscal Year 2006-07
(In Millions)

\$ 193.0 Previous Ending Cash Balance Forecast ⁽¹⁾

0.0 Increase in Beginning Cash Balance Forecast

5.0 Increase in Revenue Forecast

4.9 - Net increase in Insurance Premiums due to an increase in projected enrollment and category fluctuation (Projected enrollment from 171,263 to 171,874)

0.5 - Increase in the TRICARE Surplus due to an increase in projected enrollment (Projected enrollment from 830 to 915)

0.5 - Increase in Investment Interest due to higher projected cash balances and an increase in the interest rate from 3.5% to 3.8%

(1.0) - Decrease in TPA Refunds due to change in collection timing

(1.5) - Decrease in PBM Rebates due to lower incurred rebates than previously projected

0.6 - Increase in the Pretax Trust Fund Transfer due to higher pretax premium activity and higher estimates for flexible spending account forfeitures

1.0 - Increase in Medicare Part D Subsidy due to higher than expected collections

(2.1) Decrease in Expense Forecast

(12.5) - Decrease in PPO Plan Medical Claims

(1.7) - Decrease due to a decrease in projected enrollment (Projected enrollment from 104,059 to 103,740)

(10.8) - Decrease due to actual experience being lower than expected

2.6 - Increase in PPO Plan Prescription Drug Claims

(0.7) - Decrease due to a decrease in projected enrollment (Projected enrollment from 104,059 to 103,740)

3.3 - Increase due to a decrease in the generic dispensing rate caused by postponement of certain brand drug patent expirations beyond PBM control

(0.1) - Decrease in ASO Fee

(0.1) - Decrease due to a decrease in projected enrollment (Projected enrollment from 104,059 to 103,740)

6.8 - Increase in HMO Premium Payments

6.8 - Increase due to an increase in projected enrollment (Projected enrollment from 67,204 to 68,134)

0.2 - Increase in HSA Deposits due to increasing contributions

0.4 - Increase in Operating Costs to account for administrative assessment fees

0.5 - Increase in Premium Refunds due to increasing refund activity

\$ 200.1 Current Ending Cash Balance Forecast

⁽¹⁾ October 2006

Exhibit IV
Financial Outlook
Fiscal Year 2007-08
(In Millions)

	(A) <u>October '06</u>	(B) <u>March '07</u>	(B) - (A) <u>Difference</u>
BEGINNING CASH BALANCE	\$ 193.0	\$ 200.1	\$ 7.1
REVENUES:			
Insurance Premiums:			
Employer	\$ 1,098.2	\$ 1,107.9	\$ 9.7
Employee	153.9	154.8	0.9
HSA Contributions ⁽¹⁾	0.6	0.8	0.2
COBRA	8.6	7.4	(1.2)
Early Retiree	56.7	55.4	(1.3)
Medicare	105.3	104.5	(0.8)
TRICARE Surplus	5.6	6.0	0.4
Investment Interest	7.0	7.0	0.0
TPA Refunds	12.6	12.6	0.0
PBM Rebates	12.7	12.5	(0.2)
Pretax Trust Fund Transfer	19.0	19.0	0.0
Medicare Part D Subsidy	15.7	15.7	0.0
TOTAL REVENUES	\$ 1,495.9	\$ 1,503.6	\$ 7.7
TOTAL CASH AVAILABLE	\$ 1,688.9	\$ 1,703.7	\$ 14.8
EXPENSES:			
State PPO Plan:			
Medical Claims	\$ 596.9	\$ 571.0	\$ (25.9)
Prescription Drug Claims	227.0	233.5	6.5
ASO Fee	20.3	20.1	(0.2)
HMO Premium Payments	683.5	697.4	13.9
HSA Deposits ⁽¹⁾	0.6	0.8	0.2
Operating Costs & Admin Assessment	3.6	4.0	0.4
Premium Refunds	3.0	3.5	0.5
Other Expenses	0.1	0.1	0.0
TOTAL EXPENSES	\$ 1,535.0	\$ 1,530.4	\$ (4.6)
EXCESS OF REVENUES OVER EXPENSES	\$ (39.1)	\$ (26.8)	\$ 12.3
ENDING CASH BALANCE	\$ 153.9	\$ 173.3	\$ 19.4
Average Enrollment by Plan			
PPO Standard	102,894	101,822	(1,072)
PPO HIHP	657	727	70
HMO Standard	68,783	70,787	2,004
HMO HIHP	297	344	47
Total	172,631	173,680	1,049
Average Enrollment by Coverage Type			
Active Standard	135,438	136,868	1,430
Active HIHP	881	1,013	132
Cobra	1,232	1,052	(180)
Early Retiree	8,869	8,664	(205)
Medicare	26,211	26,083	(128)
Total	172,631	173,680	1,049
TRICARE Enrollment			
Active	805	965	160
Retiree	25	29	4
Total	830	994	164

⁽¹⁾ Contributions approximate an equal split between employer and employee.

Exhibit V
Comparison of Financial Outlooks
Fiscal Year 2007-08
(In Millions)

\$ 153.9 Previous Ending Cash Balance Forecast ⁽¹⁾

7.1 Increase in Beginning Cash Balance Forecast

7.7 Increase in Revenue Forecast

7.5 - Net increase in Insurance Premiums due to an increase in projected enrollment and category fluctuation (Projected enrollment from 172,631 to 173,680)

0.4 - Increase in the TRICARE Surplus due to an increase in projected enrollment (Projected enrollment from 830 to 994)

(0.2) - Decrease in PBM Rebates due to a decrease in projected enrollment

(4.6) Decrease in Expense Forecast

(25.9) - Decrease in PPO Plan Medical Claims

(5.8) - Decrease due to a decrease in projected enrollment (Projected enrollment from 103,551 to 102,549)

(6.0) - Decrease due to a reduction in the growth rate assumption (From 10.0% to 9.0%)

(14.1) - Decrease due to a lower claims base for FY 2006-07

6.5 - Increase in PPO Plan Prescription Drug Claims

(2.3) - Decrease due to a decrease in projected enrollment (Projected enrollment from 103,551 to 102,549)

8.8 - Increase due to a decrease in the generic dispensing rate caused by postponement of certain brand drug patent expirations beyond PBM control

(0.2) - Decrease in ASO Fee

(0.2) - Decrease due to a decrease in projected enrollment (Projected enrollment from 103,551 to 102,549)

13.9 - Increase in HMO Premium Payments

17.3 - Increase due to an increase in projected enrollment (Projected enrollment from 69,080 to 71,131)

(3.4) - Decrease due to a reduction in the Plan Year growth rate assumption (From 11.5% to 10.5%)

0.2 - Increase in HSA Deposits due to increasing contributions

0.4 - Increase in Operating Costs to account for administrative assessment fees

0.5 - Increase in Premium Refunds due to increasing refund activity

\$ 173.3 Current Ending Cash Balance Forecast

⁽¹⁾ October 2006

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

**Exhibit VI
Premium Rate Table**

ALL ENROLLEES (Excluding TRICARE Supplemental Plan)							
Category	Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
		Employer	Enrollee	Total	Employer	Enrollee	Total
Full -Time Employees ⁽¹⁾ (Monthly)	Single	346.16	50.00	396.16	346.16	15.00	361.16
	Family	715.92	180.00	895.92	715.92	64.30	780.22
	Spouse	895.92	0.00	895.92	780.22	0.00	780.22
Full -Time Employees ⁽¹⁾ (Bi-Weekly)	Single	173.08	25.00	198.08	173.08	7.50	180.58
	Family	357.96	90.00	447.96	357.96	32.15	390.11
	Spouse	447.96	0.00	447.96	390.11	0.00	390.11
COBRA Participants ⁽²⁾ (Monthly)	Single	0.00	404.08	404.08	0.00	325.88	325.88
	Family	0.00	913.84	913.84	0.00	710.82	710.82
Early Retirees (Monthly)	Single	0.00	396.16	396.16	0.00	319.48	319.48
	Family	0.00	895.92	895.92	0.00	696.88	696.88
Medicare Participants ⁽³⁾ (Monthly)	(I) One Eligible	0.00	210.34	210.34	0.00	154.16	154.16
	(II) One Under/Over	0.00	606.50	606.50	0.00	515.32	515.32
	(III) Both Eligible	0.00	420.69	420.69	0.00	308.32	308.32

Notes:

- (1) Premium contribution for Part-Time Employees is to be calculated as follows:
 Step 1. State Contribution x FTE% = Calculated State Contribution
 Step 2. Total Contribution - Calculated State Contribution = Employee Contribution
- (2) Includes an additional 2% for administrative costs as permitted by federal regulations.
- (3) The actual premium rate for Medicare participants enrolled in an HMO plan may differ from what is presented.
- (4) The employer monthly HSA contribution of \$41.66/single (\$500 annually) and \$83.33/family (\$1,000 annually) is included in the listed employer rates.

TRICARE Supplemental Health Insurance Plan							
Category	Coverage Type	Biweekly Contribution			Monthly Contribution		
		Employer	Enrollee	Total	Employer	Enrollee	Total
Active Full-Time Employees ⁽¹⁾	Single	173.08	0.00	173.08	346.16	0.00	346.16
	Family	357.96	0.00	357.96	715.92	0.00	715.92
	Spouse ⁽³⁾	357.96	0.00	357.96	715.92	0.00	715.92
COBRA Participants	Single ⁽²⁾	N/A	N/A	N/A	0.00	61.20	61.20
	Family ⁽²⁾	N/A	N/A	N/A	0.00	163.20	163.20
Early Retirees	Single	N/A	N/A	N/A	0.00	60.00	60.00
	Family	N/A	N/A	N/A	0.00	160.00	160.00

Notes:

- (1) Premium contribution for a Part-Time Employee is to be calculated as follows:
 Employer Contribution x FTE% = Calculated Employer Contribution
- (2) Includes an additional 2% for administrative costs as permitted by federal regulations.
- (3) Premium is shared equally between respective agencies.

Exhibit VII
Premium Rate Table (Effective April 2007)

ALL ENROLLEES (Excluding TRICARE Supplemental Plan)							
Category	Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
		Employer	Enrollee	Total	Employer	Enrollee	Total
Full -Time Employees ⁽¹⁾ (Monthly)	Single	377.86	50.00	427.86	377.86	15.00	392.86
	Family	787.60	180.00	967.60	787.60	64.30	851.90
	Spouse	967.60	0.00	967.60	851.90	0.00	851.90
Full -Time Employees ⁽¹⁾ (Bi-Weekly)	Single	188.93	25.00	213.93	188.93	7.50	196.43
	Family	393.80	90.00	483.80	393.80	32.15	425.95
	Spouse	483.80	0.00	483.80	425.95	0.00	425.95
COBRA Participants ⁽²⁾ (Monthly)	Single	0.00	436.42	436.42	0.00	358.22	358.22
	Family	0.00	986.96	986.96	0.00	783.94	783.94
Early Retirees (Monthly)	Single	0.00	427.86	427.86	0.00	351.20	351.20
	Family	0.00	967.60	967.60	0.00	768.56	768.56
Medicare Participants ⁽³⁾ (Monthly)	(I) One Eligible	0.00	227.18	227.18	0.00	169.46	169.46
	(II) One Under/Over	0.00	655.04	655.04	0.00	562.34	562.34
	(III) Both Eligible	0.00	454.36	454.36	0.00	338.92	338.92

Notes:

(1) Premium contribution for Part-Time Employees is to be calculated as follows:

Step 1. State Contribution x FTE% = Calculated State Contribution

Step 2. Total Contribution - Calculated State Contribution = Employee Contribution

(2) Includes an additional 2% for administrative costs as permitted by federal regulations.

(3) The actual premium rate for Medicare participants enrolled in an HMO plan may differ from what is presented.

(4) The employer monthly HSA contribution of \$41.66/single (\$500 annually) and \$83.33/family (\$1,000 annually) is included in the listed employer rates.

TRICARE Supplemental Health Insurance Plan							
Category	Coverage Type	Biweekly Contribution			Monthly Contribution		
		Employer	Enrollee	Total	Employer	Enrollee	Total
Active Full-Time Employees ⁽¹⁾	Single	188.93	0.00	188.93	377.86	0.00	377.86
	Family	393.80	0.00	393.80	787.60	0.00	787.60
	Spouse ⁽³⁾	393.80	0.00	393.80	787.60	0.00	787.60
COBRA Participants	Single ⁽²⁾	N/A	N/A	N/A	0.00	61.20	61.20
	Family ⁽²⁾	N/A	N/A	N/A	0.00	163.20	163.20
Early Retirees	Single	N/A	N/A	N/A	0.00	60.00	60.00
	Family	N/A	N/A	N/A	0.00	160.00	160.00

Notes:

(1) Premium contribution for a Part-Time Employee is to be calculated as follows:

Employer Contribution x FTE% = Calculated Employer Contribution

(2) Includes an additional 2% for administrative costs as permitted by federal regulations.

(3) Premium is shared equally between respective agencies.

**Exhibit VIII
Abbreviations**

ASO	.....	Administrative Services Only
COBRA	.....	Consolidated Omnibus Budget Reconciliation Act
DSGI	.....	Division of State Group Insurance
FTE	.....	Full Time Equivalency
FY	.....	Fiscal Year
HIHP	.....	Health Investor Health Plan (i.e., High Deductible Health Plan)
HMO	.....	Health Maintenance Organization
HSA	.....	Health Savings Account
PBM	.....	Pharmacy Benefits Manager
PPO	.....	Preferred Provider Organization
TPA	.....	Third Party Administrator